

IHSA 81-009

12 June 1981

NOTE FOR: Harry Fitzwater, DDA

FROM: IHSA/DDA

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SUBJECT: Placement of the IHSA Within the Agency

1. In response to your question, I think that there is no "ideal" answer to the placement of the IHSA. The two alternatives that I see are: continuation with the DDA or placement with the DCI.

2. I think the reasons favoring placement with the DDA are:

- °More facile management mechanism for resolving issues concerning the biggest IHS components, ODP and OC.

- °Involvement in the daily affairs of the Agency via participation in the DDA as a staff member. This is a significant advantage to the IHSA in dealing with problems as they arise, vice struggling to change a course of action already begun.

- °Day-to-day operations management support.

3. I think the reasons favoring placement with the DCI are:

- °Perception by other Directorates of an unbiased posture: isolation from subtle preferential influence of DDA Office Directors, deriving simply from regular office contacts.

- °Facilitation of interfaces required with the Comptroller re budgeting and the IG re auditing of IHSs.

- °Facilitation of tasking of Agency components concerning special studies and evaluations needed for IHS planning.

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4. The dominant concern in my mind is that if the IHSA were placed in the DCI area, it might be placed under the Comptroller. I believe that this would have the following serious negative effects with respect to the functions of the office:

- °The IHSA is performing a management function, as opposed to a financial function. To be jointly effective, these functions should be separate and distinct. Subsuming the management role under the financial one seriously erodes the management function.

- °The IHSA would be essentially isolated from the daily affairs of the Agency, and would tend to be brought into IHSs developments only after they had been pretty thoroughly worked out by operational organizations. I believe that mode of operation would make the job of the IHSA much more difficult; I put a great emphasis on informal day-to-day contacts to work out problems as being the most effective mechanism in performing the IHSA mission.

5. In short, although the IHSA is a staff office, its relationship is with operational management. Placing it in a staff context will force it into a reactive, judgemental mode, seriously hindering its ability to do its job.

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